WEEKLY ECONOMIC REVIEW

November 30, 2007

In the third quarter of 2007, growth in Alberta's labour income moderated to 1.4% from the second quarter, compared to 4.1% in the second and 3.1% in the first. Nonetheless, growth in the first three quarters of this year averaged 11.6%, substantially above the Canadian average of 6.1%. Similarly, year-to-date growth of Alberta's average weekly earnings is now at 4.6%, slightly below the 4.9% growth posted in 2006.

Canada's economic growth also moderated in the third quarter of 2007 as it grew at an annual rate of 2.9%, compared to 3.8% in the second quarter. Solid gains in consumer spending and business equipment investment led the growth. U.S. economic growth was robust in the third quarter, up 4.9% on an annual basis. Unlike Canada, the U.S. economy drew strength from its buoyant exports, which are getting a huge support from the weak U.S. dollar and strong global demand.

As expected, the sharp appreciation of the loonie weighed in on Canada's net exports, bringing the current account surplus to $1.0 billion in the 3rd quarter of 2007, a $5.3 billion drop from the previous quarter. On a positive note, foreign direct investment (FDI) inflows reached $28.6 billion in the same quarter, bringing the net FDI to a record high of $46 billion over the past year.

Canadian factory prices also took a painful hit from the stronger currency. The Industrial Product Price Index fell for the sixth straight month, down 1.1% in October. The Raw Materials Price Index rose slightly led by higher crude oil prices.

Cdn Dollar (US¢/C$)

November 30, 2007	100.1
November 23, 2007	101.2
2007-08 YTD	95.9

WTI Oil US$/bbl

November 29, 2007	$ 91.01
November 22, 2007	$ 96.52
2007-08 YTD	$ 75.15

Nymex Natural Gas C$/MMBtu *

November Contract

November 30, 2007	$ 7.41
November 23, 2007	$ 7.59

*Estimate based on Nymex Futures Market Price

Despite the stronger growth displayed by the U.S. economy, more ominous signs on the further strains created by the credit market turmoil have emerged this week. U.S. real consumer spending remained flat in October as personal income growth weakened (+0.2%). Construction spending also fell 0.8% as homebuilding continues its downward trend. Federal Reserve Chairman Bernanke has acknowledged that the renewed weakness in markets has increased uncertainty surrounding the economic outlook, cementing expectations of a further rate cut in December.

Crude oil prices fell over US $5 per barrel this week, reflecting rising U.S. inventories and higher OPEC production.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Average Weekly Earnings ($)[2]	**September**			
Alberta	845.02	1.3	4.7	4.6
Canada	772.52	0.3	3.2	3.1
Industrial Product Price Index (1997=100)	**October**			
Canada	112.4	-1.1	-1.0	2.0
Raw Materials Price Index (1997=100)	**October**			
Canada	175.2	0.3	12.5	6.6
Gross Domestic Product ($ billion, 2002=100)	**Third Quarter**			
Canada	1,280	0.7[3]	2.9[4]	--

Source: Statistics Canada. [1]Year-to-date 2007 compared to the same period in 2006 [2]seasonally adjusted [3]Quarter/Previous Quarter [4]Quarter/Previous Year's Quarter